

IRS PROVIDES EASE FOR THIRD PARTY TO RESOLVE CLIENT ISSUES

WASHINGTON – In another effort to reduce the burden on America's taxpayers, the Internal Revenue Service announced the Checkbox Initiative. Beginning with the 2001 Filing Season, paid preparers, with their clients' permission, will be allowed to work directly with the IRS to resolve tax return processing issues. Taxpayers can identify through a checkbox on all series of the Form 1040 returns (except Telefile), an individual paid preparer to serve as a designee to resolve processing related matters.

In the past, Practitioners (Attorneys, CPAs, and Enrolled Agents) and other paid preparers needed a Power Of Attorney in order to discuss return preparation, refund and payment issues with IRS. Under this new initiative, the taxpayer's designee would have the ability to speak directly to IRS Customer Service representatives over the phone and in person in response to math error notices and to receive information about a refund or payment.

There are approximately 8 million pieces of correspondence sent out during the tax season specifically about processing tax returns. "The Checkbox designation will reduce the correspondence burden on taxpayers by allowing the IRS to resolve up to 90% of the issues through telephone contact with paid preparers," said IRS Commissioner Charles O. Rossotti. "This initiative will be a timesaver for taxpayers and the IRS."

The Checkbox Initiative will eliminate the need for the Power of Attorney only for certain matters. The taxpayer's designee is limited to issues arising during the processing of that specific return. The taxpayer still needs to sign a Power Of Attorney for examination matters, under reported income, appeals and collections notices.

Although the checkbox designation is limited to paid preparers, the Service is looking into expanding the initiative to address the needs of businesses and taxpayers (specifically the elderly and non-English speaking) that depend on friends and family to prepare returns. The Checkbox Initiative is in response to requests from IRS external stakeholders and most recently, the South Florida Citizen Advocacy Panel (CAP).

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